



ALGONQUIN MERCANTILE CORPORATION

Suite 200, 931 Yonge Street,
Toronto, Ontario M4W 2H7

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Algonquin Mercantile Corporation will be held in the Simcoe Room, The Sheraton Centre, 123 Queen Street West, Toronto, Ontario on November 13, 1979, at the hour of 11:15 o'clock in the forenoon, Toronto Time, for the purpose of (a) receiving the report of the directors and the consolidated financial statements of the Corporation for the year ended June 30, 1979 and the report of the auditors; (b) electing directors; (c) appointing auditors; and (d) transacting such other business as may properly be brought before the meeting or any adjournment thereof.

It is requested that each person entitled to attend the meeting forward the attached instrument of proxy duly completed in the envelope provided to ensure representation whether or not such person is able personally to attend the meeting.

Toronto, October 3, 1979

By order of the Board.

W. ROSS ABBOTT

Vice President and Secretary

Information Circular

Annual Meeting of Shareholders to be held on November 13, 1979.

Solicitation of Proxies

The enclosed proxy is solicited by the management of Algonquin Mercantile Corporation (the "Corporation") to be used at the Annual Meeting of Shareholders of the Corporation to be held on November 13, 1979 for the purposes set forth in the foregoing notice of such meeting.

A proxy in the form accompanying this Information Circular which is properly executed, duly returned to the management of the Corporation and not revoked, will be voted in accordance with instructions contained therein.

The persons designated in the enclosed proxy are directors of the Corporation. **A shareholder desiring to appoint some other person to represent him at the meeting may do so** by striking out the names of the persons designated and by inserting such other person's name in the blank space provided in the enclosed proxy or by completing another form of proxy.

The cost of preparing, assembling and mailing this Information Circular, the notice of the meeting, the enclosed proxy and additional material relating to the meeting which may be furnished to shareholders by the management of the Corporation subsequent to the furnishing of the Information Circular has been or is to be borne by the Corporation. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Corporation.

Revocability of Proxy

A shareholder giving a proxy may revoke the proxy by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the head office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used or with the chairman of the meeting on the day of the meeting, or adjournment thereof.

Voting Shares

The Corporation has outstanding 444,238 common shares each of which is entitled to one vote at the meeting. Shareholders representing in person or by proxy at least ten per cent of the issued shares of the Corporation constitute a quorum at any meeting of shareholders. Common shareholders of record at the date of the meeting or adjournment thereof will be entitled to vote at the meeting.

To the knowledge of the directors and senior officers of the Corporation, the only person or corporation beneficially owning, directly or indirectly, more than 10% of the outstanding common shares of the Corporation is Cecil H. Franklin, Chairman and director of the Corporation. Mr. Franklin is the beneficial owner of 252,652 common shares or approximately 56.9% of the issued common shares of the Corporation.

Election of Directors

A board of nine directors is to be elected at the meeting to serve until the next Annual Meeting or until their successors are appointed. **Unless otherwise directed, the persons named in the enclosed proxy intend to vote for the election as directors of the nominees named below** who are the present directors of the Corporation. In case any of the nominees should become unavailable for election for any presently unforeseen reason, the persons named in the proxy will have the right to use their discretion in selecting a substitute. The following information is submitted with respect to the nominees for director.

Nominees	Director Since	Principal Occupation and Position with Affiliated Corporations	Common Shares Beneficially Owned as at October 3, 1979 (1)	
			Corporation	Hardee Farms International Ltd. (2)
W.R. Abbott	1978	Vice-President and Secretary Algonquin Mercantile Corporation Hardee Farms International Ltd.	102	—
D.S. Anderson	1976	Chairman of the Board Canada Realties Limited (Real Estate Development Consultants) Director, Hardee Farms International Ltd. (5)	500	1,000
C.H. Franklin	1968	Chairman of the Board Algonquin Mercantile Corporation Hardee Farms International Ltd. (3)	252,652	2,766,788
R.M. Franklin	1974	Executive Vice-President Algonquin Mercantile Corporation Hardee Farms International Ltd. (5)	20,800	15,800
C.C. Laking	1957	President C.C. Laking Limited, Toronto (5)	2,520	5,000
F.D. Lace	1959	Investment Dealer Matthews Office A.E. Ames & Co. Limited (Investment Dealers) Director, Hardee Farms International Ltd.	20,500	35,000
E.R.S. McLaughlin	1972	President Old Canada Investment Corporation Ltd. Greenbriar Holdings Limited Macel Transportation Limited Director, Hardee Farms International Ltd. (4)	6,100	25,500
D.E. McQuigge	1961	Retired (5)	5,340	5,000
A.W. Walker	1973	President Algonquin Mercantile Corporation Hardee Farms International Ltd.	2,485	11,600

(1) The information as to shares owned by each nominee, not being within the knowledge of the Corporation has been furnished by such nominees.

(2) A subsidiary of the Corporation.

(3) Mr. C.H. Franklin, including his ownership of common shares of the Corporation, controls 2,766,788 or approximately 55.3% of the outstanding common shares of Hardee Farms International Ltd., and 57,365 or approximately 99.1% of the outstanding voting shares of The Baxter Canning Co. Limited and 6,500 or approximately 65% of the outstanding common shares of Creston Valley Foods Ltd.

(4) Audit Committee Chairman.

(5) Audit Committee Members.

The Corporation is required to have an audit committee and does not have an executive committee.

Directors' and Officers' Remuneration from the Corporation and Its Subsidiaries

The following table shows the aggregate direct remuneration paid or payable during the fiscal year ended June 30, 1979 by the Corporation and its subsidiaries to the directors and senior officers:

	Aggregate Remuneration	Pension Benefits	Retirement Benefits
DIRECTORS: 9			
(A) From Parent and Wholly-owned Subsidiaries:	9,050	—	—
(B) From Partially-owned Subsidiaries:			
Hardee Farms International Ltd.	7,900	—	—
The Baxter Canning Co. Limited	400	—	—
5 SENIOR OFFICERS:	255,563		
TOTAL	272,913	—	—

Appointment of Auditors

Unless otherwise directed, the persons named in the enclosed proxy intend to vote for the appointment of Messrs. Coopers & Lybrand as auditors of the Corporation to hold office until the next Annual Meeting of shareholders or until their successors are appointed.

Other Business

The enclosed proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the notice of the meeting and other matters which may properly come before the meeting. At the present time the management of the Corporation knows of no such other amendments or other matters to come before the meeting. However, if any such amendments or matters properly come before the meeting, it is the intention of the persons named in the enclosed proxy to vote in accordance with their judgment on such matters.

Toronto, October 3, 1979

By order of the Board,

W. ROSS ABBOTT

Vice President and Secretary